



Rolls-Royce

Health, safety and environment policy and management arrangements

An overview of how Rolls-Royce plc delivers its
policy commitments on health, safety and environment

Issue 4 April 2002

Contents

Introduction	page 1
HS&E Policy statement	page 2
Objectives and targets	page 3
The HS&E Management System	page 4
Documentation structure	page 6
Integrating HS&E into the Quality System	page 7
Committee structures	page 8
Responsibilities	page 10

Introduction

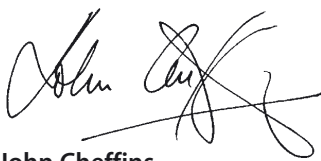
This document describes the management arrangements and responsibilities to deliver our commitments on Health, Safety and the Environment (HS&E), which are set out in the Group HS&E Policy Statement endorsed by the Chief Executive.

HS&E is a line management responsibility and it is essential that the contents of this publication are understood and followed by directors, managers and supervisors. All employees must be made aware of and discharge their individual responsibilities.

Compliance with Group Occupational Health, Safety & Environmental Policies and related Standards is mandatory and subject to periodic audit. The policy applies to all businesses where Rolls-Royce is a majority shareholder. Any extension into other businesses is a matter for specific arrangement.

Copies of this document can be made available to relevant authorities, customers, suppliers, contractors and joint venture partners as a means of demonstrating our commitment to HS&E and ability to manage HS&E risks effectively.

HS&E management embraces everything we commit to do to improve our performance in Health, Safety¹ and the Environment for the benefit of our employees, contractors, suppliers and the wider community.



John Cheffins
Chief Operating Officer and
Chairman Board HS&E Committee

¹ Excludes the Safety aspects of products during their operational phase (see 'Integrating HS&E into the Quality System', covered later in this document).

HS&E Policy statement

The Rolls-Royce Group will make proper provision for the health, safety and welfare of its people, visitors and contractors and those in the community who may be affected by its activities. It will care for the environment through a commitment to good environmental practices. Continual improvement will be achieved by implementing the Group's HS&E Management System and related standards, which will include the setting of objectives and targets. As a minimum, the standards will meet relevant legal, industry and other requirements.

The Group aims to reduce the health, safety and environmental impacts of its products and processes and prevent pollution by utilising a structured risk management approach, taking into account the needs of its customers and society at large. All new activities will be assessed for environmental impact and appropriate health and safety provision.

Presidents/Managing Directors are responsible for enacting this policy and giving HS&E equal priority with all other business issues. Implementation will be through line management who will involve employees in the achievement of the Group's objectives. They will be advised by an adequate number of competent occupational health, safety and environmental professionals.

It is recognised that accidents, ill health and environmental incidents may result from failings in management control and are not necessarily the fault of an individual employee. All employees, however, are expected to accept their responsibility to work safely, adhering to safety rules and work procedures, using safety equipment provided, and generally to contribute to the maintenance of safe and healthy conditions. They also have a duty to be environmentally responsible.

The Group is committed to effective communication and consultation on health, safety and environmental matters with all relevant parties and will report internally and publicly on its HS&E performance on a regular basis. It will provide appropriate health, safety and environment training to employees to enable them to meet the required standards of performance.

Whilst we are each responsible for health, safety and the environment, we do much better when we work as a team. Protecting the environment and promoting the welfare of both our people and the community matters to us all.



John Rose

Chief Executive

Date: April 2002

Objectives and targets

Group HS&E objectives and targets are reviewed and agreed annually by the HS&E Committee and issued to the businesses. They are designed to achieve continual improvement.

Performance relative to the objectives and targets is reviewed quarterly by each business and bi-annually by the HS&E Committee. Performance is reported to the Main Board on an annual basis. An external report on the environment, which includes sections on health and safety, is produced on a regular basis, usually once every two years.

The HS&E Management System

The Management System Model

The means to achieve the required HS&E performance is provided by the Group's Health, Safety and Environmental Management System (HS&E-MS) and related Standards and Guidelines. The HS&E-MS brings together the elements of the international environmental management system standard, ISO 14001 and the occupational health and safety management system specification, OHSAS 18001. It is Group policy that all businesses should gain certification to ISO 14001.

The Group HS&E Management System allows a common approach to be adopted across all businesses. The key elements are outlined below:



The HS&E Management System summary

HS&E Management System Element	Addressing
Leadership, Commitment & Involvement	Top down leadership and commitment, critical to the success of the system, but with the involvement of everyone. Management create the required culture.
Policy	Corporate, Business and Operational Unit intentions, aims and beliefs.
Planning	Planning for performance improvement. Developing strategies to meet legal requirements and Group and Business/Operational Unit objectives and targets. Risk/Impact Management. Defining standards and procedures.
Implementation and Operation	The organisation of people, resources and systems for sound HS&E performance. The implementation of plans to achieve objectives and targets. The development and maintenance of documented procedures.
Checking and Corrective Action	The monitoring and measurement of performance, including the implementation of the audit programme – taking corrective action as required.
Management Review	The regular review of each element of the HS&E management system by the Management Team/HS&E Committee – making any changes necessary for its continued suitability and effectiveness. Opportunities for improvement should be identified and appropriate action taken.

Documentation structure

Group/Business management system supporting documentation is structured as set out below:

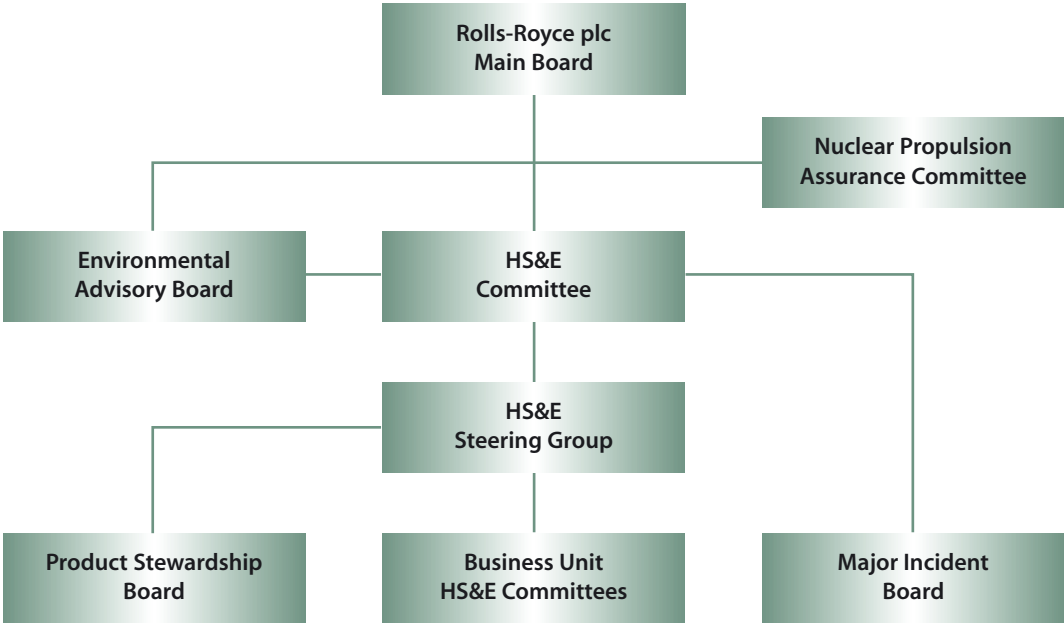
		Authority
Level 1	Rolls-Royce plc Policy Statement	Chief Executive
	Corporate HS&E Policy and Management Arrangements Document/Topic Policies	HS&E Committee
Level 2	HS&E Management System	
	International Standards & Guidance	UK HS&E Manual
	Occupational Health Strategy, Policy and Management Guidelines	
Level 3	Business HS&E Policy	Business or Operational Unit MD/President/ HS&E Committee
	Business HS&E Management System	
	Site Level Documentation	
		Nominated Manager

International HS&E Standards and Guidelines are applicable to all Group operations worldwide. The HS&E Manual is applicable to UK operations but may be used as a reference source by other parts of the Group.

Occupational Health policy and related guidelines cover the basic tasks required to implement and operate an Occupational Health Service worldwide.

Committee structures

Control and coordination of HS&E matters is provided through a framework of meetings at Group, business and site level. The overall structure is described below:



HS&E Committee

A Committee of the Board chaired by the Chief Operating Officer. This Committee is responsible for: policy development and assurance; setting Group objectives and targets; performance review; management system review and reporting.

It supports the Main Board in its corporate governance role and meets twice per year.

Nuclear Propulsion Assurance Committee

This Committee covers the HS&E aspects of the Company's nuclear facilities. It is a Committee of the Main Board and is chaired by the Company Chairman. It meets at least twice per year.

HS&E Steering Group

Chaired by the Director HS&E, the role of the Steering Group is to review performance, share best practice and facilitate the implementation of key HS&E initiatives in the businesses. It meets three times per year.

Major Incident Board

Chaired by the Director HS&E, the Major Incident Board examines causes of significant HS&E incidents in our operations and makes recommendations on any necessary improvements to prevent reoccurrence. It meets on an as-needed basis.

Product Stewardship Board

Chaired by the Director of Technology, the Product Stewardship Board strives to reduce the overall HS&E impacts of Rolls-Royce products and related manufacturing and in service support processes. It meets three to four times per year.

Environmental Advisory Board

The Environmental Advisory Board reviews environmental aspects of company activities and recommends areas for consideration against external developments. The Board includes external members, who are respected authorities in their fields. It meets three to four times per year.

Business HS&E Committees and Site HS&E meetings

Each business unit has its own committee, chaired by the MD/President, to steer and review HS&E management within its organisation in line with Group Policy. The Senior Business HS&E Committee meets four times per year.

Operational Unit/Facility site HS&E meetings are normally held on a monthly basis.

Occupational Health

The Occupational Health Policy Group, chaired by the Chief Medical Officer, is a meeting between senior Occupational Health professionals to develop Group policies, standards, guidelines and related documentation. It meets around nine times per year.

The Medical Research Committee, chaired by the Chief Medical Officer, reviews mortality data and associated research projects. It meets at least once per year.

Other HS&E meetings

The HS&E Forum, chaired by the Director HS&E is a meeting between senior Corporate HS&E and Occupational Health professionals to review areas of common interest. It meets four to five times per year.

Responsibilities

Group level

Group HS&E Policy Statement authorisation is the responsibility of the Chief Executive. Ultimate responsibility for HS&E performance resides with the Chief Executive and the Board.

Responsibility for Group policy development and assurance is delegated to the HS&E Committee, chaired by the Chief Operating Officer.

HS&E advice

The Director HS&E² is charged with the responsibility for maintaining a team of professional advisors in the fields of Occupational Hygiene, Safety and the Environment. The Chief Medical Officer³ is responsible for maintaining a team of professional advisors in the fields of medicine and occupational health.

Collectively the above teams:

- identify and help to influence external developments
- develop and facilitate the implementation of HS&E objectives/targets, policies, standards and guidelines
- provide selected training and a comprehensive consultancy service to all Group businesses
- undertake Corporate HS&E audits
- undertake strategic studies and provide specialist services
- produce internal and external reports on HS&E.

In addition to the above Group-wide advice, the Director HS&E North America provides advice to the senior executives and managers of Rolls-Royce Corporation/ Rolls-Royce North America and to the facilities under their control.

Business level

The Group HS&E Policy applies to all businesses where Rolls-Royce is the majority shareholder.

In Joint Ventures (JV), where the Rolls-Royce share holding is 50 per cent or less, Company staff appointed as Directors shall encourage the business to work to Group HS&E standards and to implement a compatible HS&E management system. As a minimum, the JV must comply with relevant legislation and will need access to competent HS&E advice.

HS&E is a line-management responsibility. Line-managers at all levels, however, need to be supported by competent HS&E Advisors located within their business. The specific HS&E responsibilities are described in the following sections.

Managing Directors/Presidents

These senior officers of the Group are accountable to the Main Board for the effective implementation of the Group HS&E Policy and HS&E Management System (HS&E-MS) within their business. They must:

- demonstrate leadership and commitment to HS&E
- understand and implement the Group HS&E Policy and HS&E-MS
- develop, authorise and issue the Business HS&E Policy and any related level 3 documentation
- set HS&E objectives in line with Group objectives/targets and the needs of the business
- provide the necessary resources
- monitor HS&E performance and review the effectiveness of all aspects of the HS&E-MS on a regular basis.

² Contact address: Director of HS&E, Rolls-Royce plc, PO Box 31, Derby, DE24 8BJ.

³ Contact address: Chief Medical Officer, Rolls-Royce plc, PO Box 31, Derby DE24 8BJ.

Directors/Vice Presidents

Directors/Vice Presidents are responsible for the implementation of the Group HS&E Policy and HS&E-MS.

They must:

- demonstrate leadership and commitment to HS&E
- understand and implement the Group/Business HS&E Policy, HS&E-MS and related standards/guidelines and bring them to the attention of all employees and contractors under their control
- have sufficient knowledge of health, safety and environment laws to enable them to discharge their duties
- develop and implement the plan to meet the Group and business HS&E objectives and targets
- investigate and report all accidents, near misses, dangerous occurrences and cases of occupational disease
- develop and maintain effective emergency plans and procedures
- meet Group HS&E performance reporting requirements
- give HS&E matters at least equal weight with other business considerations
- take all reasonable steps to provide a healthy and safe working environment, and minimise any environmental impact
- provide appropriate resources to meet the required HS&E performance standards
- have competent, adequate numbers of and appropriately located HS&E Advisors
- provide a coordinator for health, safety and environmental matters in shared workplaces
- inform all employees, contractors and any other people in the workplace about relevant HS&E matters and provide appropriate training
- develop and maintain sound relationships with Government Agencies, Regulatory Authorities and other appropriate bodies
- report to the Managing Director/President on a regular basis on the HS&E performance in their area of responsibility
- seek the services of the Corporate HS&E function as appropriate.

Managers and Supervisors

All Managers and Supervisors are responsible for the health and safety of all persons (including visitors and contractors) within their area of responsibility, and for ensuring that their areas do not cause adverse environmental impacts. They must be aware of the specific legal requirements which apply to their area, the Group policy in respect of those regulations and what they must do to meet the relevant standards. Where applicable to their area they must:

- implement HS&E plans to achieve the objectives and targets set, and monitor and display related performance data
- undertake regular HS&E risk/impact assessments and implement appropriate controls/recovery measures in line with Group Standards and Guidelines
- provide all necessary job instructions, warning notices and signs
- complete a risk assessment and implement acceptable controls/recovery measures before allowing anyone to work alone
- make available appropriate protective clothing, equipment, devices and aids, which must be properly used and maintained
- set a good example to employees and contractors when visiting the Company's workplaces, by following Company procedures and wearing appropriate protective clothing and equipment
- include HS&E topics in departmental meeting agendas or 'tool box talks'
- hold joint HS&E consultation with employee representatives and committees
- hold relevant records and keep them up to date
- keep all equipment safe and checked by competent technical specialists
- provide all necessary HS&E training and issue any relevant legal and specific hazard information
- report and investigate HS&E incidents to determine root causes so as to expedite any corrective action
- undertake appropriate health screening and surveillance
- apply all relevant HS&E considerations to employees working away from Group premises.

All employees

All persons employed by the Group have a duty to themselves, their colleagues, the Group, the community and the environment, to work in a safe and environmentally responsible manner. To that end, all employees must:

- take action to prevent work related accidents, ill health and environmental incidents (work in a way to ensure the safety of themselves and others)
- report HS&E near misses, unsafe acts and conditions immediately
- suggest areas for improvement to managers and supervisors
- report all HS&E incidents, however minor, to supervision
- follow the HS&E rules relating to their job
- use the control measures, protective clothing, equipment and devices where issued
- cooperate in screening and health surveillance procedures as required
- cooperate with all HS&E instructions and procedures.



© 2002 Rolls-Royce plc

The information in this document is the property of Rolls-Royce plc and may not be copied, communicated to a third party, or used for any purpose other than that for which it is supplied, without the express written consent of Rolls-Royce plc.

Misc 3155 Issue 4 April 2002

Printed in England on paper from sustainable forests
and recycled post-consumer wastes.



Rolls-Royce®

Rolls-Royce plc
PO Box 31
Derby DE24 8BJ

www.rolls-royce.com